

SECOND REGULAR SESSION

# SENATE BILL NO. 560

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR GROSS.

Pre-filed December 1, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

3104S.04I

## AN ACT

To repeal sections 99.805, 99.810, 99.825, and 523.205, RSMo, and to enact in lieu thereof ten new sections relating to real estate.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 99.805, 99.810, 99.825, and 523.205, RSMo, are  
2 repealed and ten new sections enacted in lieu thereof, to be known as sections  
3 99.805, 99.810, 99.825, 523.015, 523.025, 523.035, 523.095, 523.110, 523.115, and  
4 523.205, to read as follows:

99.805. As used in sections 99.800 to 99.865, unless the context clearly  
2 requires otherwise, the following terms shall mean:

3 (1) "Blighted area", an area which, by reason of the predominance of  
4 [effective or inadequate street layout,] unsanitary or unsafe conditions,  
5 deterioration of site improvements, [improper subdivision or obsolete platting,]  
6 or the existence of conditions which endanger life or property by fire and other  
7 causes, or any combination of such factors, retards the provision of housing  
8 accommodations or constitutes [an economic or] a social liability or a menace to  
9 the public health, safety, morals, or welfare in its present condition and use. **The**  
10 **fact that a different use of a specific piece of property or properties**  
11 **would provide a higher level of tax revenue or economic liability or**  
12 **that the land is economically underutilized shall not be a valid factor**  
13 **in determining blight. In addition to such determinations, the**  
14 **applicable property shall support findings that the property satisfies**  
15 **the following criteria:**

16 (a) The property is located in an area of "high  
17 unemployment". For purposes of this section, the term "high

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 unemployment" shall mean unemployment in the proposed  
19 redevelopment area of at least two times that of the metropolitan  
20 statistical area in which the area is located or, two times the  
21 unemployment rate of non-metropolitan counties if the area is not  
22 located in a metropolitan statistical area; and

23 (b) The property is one with "low fiscal capacity". For purposes  
24 of this section, the term "low fiscal capacity" shall mean per capita  
25 assessed valuation of property in the municipality of less than fifty  
26 percent of the entire county in which it is located, or, if when adjusted  
27 for inflation, the cumulative assessed value for such applicable  
28 property or properties has not increased in the previous three  
29 reassessment periods; and

30 (c) The municipality, census block group or groups, as defined  
31 in the most recent decennial census, containing the redevelopment area  
32 are characterized by low income. For purposes of this section, the term  
33 "low income" shall mean either a Missouri municipality within a  
34 metropolitan statistical area which has a population of at least one  
35 thousand five hundred and median household income of under seventy  
36 percent of the median household income for the metropolitan statistical  
37 area, according to the last decennial census, or a United States census  
38 block group or contiguous group of block groups within a metropolitan  
39 statistical area which has a population of at least one thousand five  
40 hundred, and each block group having a median household income of  
41 under seventy percent of the median household income for the  
42 metropolitan area in Missouri, according to the last decennial census.  
43 The determination of blight shall be considered a quasi-judicial  
44 function, attaching the rights of procedural due process to affected  
45 landowners and requiring the governing body to issue findings of fact  
46 and conclusions of law consistent with this section, displaying clear  
47 and convincing evidence for the sufficiency of such finding of  
48 blight. Such findings shall be reviewed de novo by a court of  
49 competent jurisdiction, at the request of any owner of property deemed  
50 blighted;

51 (2) "Collecting officer", the officer of the municipality responsible for  
52 receiving and processing payments in lieu of taxes or economic activity taxes from  
53 taxpayers or the department of revenue;

54 (3) "Conservation area", any improved area within the boundaries of a

55 redevelopment area located within the territorial limits of a municipality in which  
56 fifty percent or more of the structures in the area have an age of thirty-five years  
57 or more. Such an area is not yet a blighted area but is detrimental to the public  
58 health, safety, morals, or welfare and may become a blighted area because of any  
59 one or more of the following factors: dilapidation; obsolescence; deterioration;  
60 illegal use of individual structures; presence of structures below minimum code  
61 standards; abandonment; excessive vacancies; overcrowding of structures and  
62 community facilities; lack of ventilation, light or sanitary facilities; inadequate  
63 utilities; excessive land coverage; deleterious land use or layout; depreciation of  
64 physical maintenance; and lack of community planning. A conservation area  
65 shall meet at least three of the factors provided in this subdivision for projects  
66 approved on or after December 23, 1997. **The fact that a different use of a**  
67 **specific piece of property or properties would provide a higher level of**  
68 **tax revenue or economic liability or that the land is economically**  
69 **underutilized shall not be a valid factor in declaring an area a**  
70 **conservation area. The determination that an area is a conservation**  
71 **area shall be considered a quasi-judicial function, attaching the rights**  
72 **of procedural due process to affected landowners and requiring the**  
73 **governing body to issue findings of fact and conclusions of law**  
74 **consistent with this section, displaying clear and convincing evidence**  
75 **for the sufficiency of such finding. Such findings of fact shall be**  
76 **reviewed de novo, by a court of competent jurisdiction, at the request**  
77 **of any owner of property deemed a conservation area;**

78 (4) "Economic activity taxes", the total additional revenue from taxes  
79 which are imposed by a municipality and other taxing districts, and which are  
80 generated by economic activities within a redevelopment area over the amount  
81 of such taxes generated by economic activities within such redevelopment area  
82 in the calendar year prior to the adoption of the ordinance designating such a  
83 redevelopment area, while tax increment financing remains in effect, but  
84 excluding personal property taxes, taxes imposed on sales or charges for sleeping  
85 rooms paid by transient guests of hotels and motels, licenses, fees or special  
86 assessments. For redevelopment projects or redevelopment plans approved after  
87 December 23, 1997, if a retail establishment relocates within one year from one  
88 facility to another facility within the same county and the governing body of the  
89 municipality finds that the relocation is a direct beneficiary of tax increment  
90 financing, then for purposes of this definition, the economic activity taxes

91 generated by the retail establishment shall equal the total additional revenues  
92 from economic activity taxes which are imposed by a municipality or other taxing  
93 district over the amount of economic activity taxes generated by the retail  
94 establishment in the calendar year prior to its relocation to the redevelopment  
95 area;

96 (5) ["Economic development area", any area or portion of an area located  
97 within the territorial limits of a municipality, which does not meet the  
98 requirements of subdivisions (1) and (3) of this section, and in which the  
99 governing body of the municipality finds that redevelopment will not be solely  
100 used for development of commercial businesses which unfairly compete in the  
101 local economy and is in the public interest because it will:

102 (a) Discourage commerce, industry or manufacturing from moving their  
103 operations to another state; or

104 (b) Result in increased employment in the municipality; or

105 (c) Result in preservation or enhancement of the tax base of the  
106 municipality;

107 (6)] "Gambling establishment", an excursion gambling boat as defined in  
108 section 313.800, RSMo, and any related business facility including any real  
109 property improvements which are directly and solely related to such business  
110 facility, whose sole purpose is to provide goods or services to an excursion  
111 gambling boat and whose majority ownership interest is held by a person licensed  
112 to conduct gambling games on an excursion gambling boat or licensed to operate  
113 an excursion gambling boat as provided in sections 313.800 to 313.850,  
114 RSMo. This subdivision shall be applicable only to a redevelopment area  
115 designated by ordinance adopted after December 23, 1997;

116 [(7)] (6) "Municipality", a city, village, or incorporated town or any  
117 county of this state. For redevelopment areas or projects approved on or after  
118 December 23, 1997, "municipality" applies only to cities, villages, incorporated  
119 towns or counties established for at least one year prior to such date;

120 [(8)] (7) "Obligations", bonds, loans, debentures, notes, special  
121 certificates, or other evidences of indebtedness issued by a municipality to carry  
122 out a redevelopment project or to refund outstanding obligations;

123 [(9)] (8) "Ordinance", an ordinance enacted by the governing body of a  
124 city, town, or village or a county or an order of the governing body of a county  
125 whose governing body is not authorized to enact ordinances;

126 [(10)] (9) "Payment in lieu of taxes", those estimated revenues from real

127 property in the area selected for a redevelopment project, which revenues  
128 according to the redevelopment project or plan are to be used for a private use,  
129 which taxing districts would have received had a municipality not adopted tax  
130 increment allocation financing, and which would result from levies made after the  
131 time of the adoption of tax increment allocation financing during the time the  
132 current equalized value of real property in the area selected for the  
133 redevelopment project exceeds the total initial equalized value of real property  
134 in such area until the designation is terminated pursuant to subsection 2 of  
135 section 99.850;

136        **[(11)] (10)** "Redevelopment area", an area designated by a municipality,  
137 in respect to which the municipality has made a finding that there exist  
138 conditions which cause the area to be classified as a blighted area, a conservation  
139 area, [an economic development area,] an enterprise zone pursuant to sections  
140 135.200 to 135.256, RSMo, or a combination thereof, which area includes only  
141 those parcels of real property directly and substantially benefited by the proposed  
142 redevelopment project;

143        **[(12)] (11)** "Redevelopment plan", the comprehensive program of a  
144 municipality for redevelopment intended by the payment of redevelopment costs  
145 to reduce or eliminate those conditions, the existence of which qualified the  
146 redevelopment area as a blighted area, conservation area, [economic development  
147 area,] or combination thereof, and to thereby enhance the tax bases of the taxing  
148 districts which extend into the redevelopment area. Each redevelopment plan  
149 shall conform to the requirements of section 99.810;

150        **[(13)] (12)** "Redevelopment project", any development project within a  
151 redevelopment area in furtherance of the objectives of the redevelopment plan;  
152 any such redevelopment project shall include a legal description of the area  
153 selected for the redevelopment project;

154        **[(14)] (13)** "Redevelopment project costs" include the sum total of all  
155 reasonable or necessary costs incurred or estimated to be incurred, and any such  
156 costs incidental to a redevelopment plan or redevelopment project, as  
157 applicable. Such costs include, but are not limited to, the following:

158        (a) Costs of studies, surveys, plans, and specifications;

159        (b) Professional service costs, including, but not limited to, architectural,  
160 engineering, [legal,] marketing, financial, planning or special services. Except  
161 the reasonable costs incurred by the commission established in section 99.820 for  
162 the administration of sections 99.800 to 99.865, such costs shall be allowed only

163 as an initial expense which, to be recoverable, shall be included in the costs of a  
164 redevelopment plan or project;

165 (c) Property assembly costs, including, but not limited to, acquisition of  
166 land and other property, real or personal, or rights or interests therein,  
167 [demolition of buildings,] and the clearing and grading of land;

168 (d) [Costs of rehabilitation, reconstruction, or repair or remodeling of  
169 existing buildings and fixtures;

170 (e) Initial costs for an economic development area;

171 (f)] Costs of construction of public works or improvements;

172 [(g)] (e) Financing costs, including, but not limited to, all necessary and  
173 incidental expenses related to the issuance of obligations, and which may include  
174 payment of interest on any obligations issued pursuant to sections 99.800 to  
175 99.865 accruing during the estimated period of construction of any redevelopment  
176 project for which such obligations are issued and for not more than eighteen  
177 months thereafter, and including reasonable reserves related thereto;

178 [(h)] (f) All or a portion of a taxing district's capital costs resulting from  
179 the redevelopment project necessarily incurred or to be incurred in furtherance  
180 of the objectives of the redevelopment plan and project, to the extent the  
181 municipality by written agreement accepts and approves such costs;

182 [(i)] (g) Relocation costs to the extent that a municipality determines  
183 that relocation costs shall be paid or are required to be paid by federal or state  
184 law;

185 [(j)] (h) Payments in lieu of taxes;

186 **Legal fees incurred during a redevelopment project shall not constitute**  
187 **redevelopment project costs and the party incurring such costs shall be**  
188 **responsible for payment;**

189 [(15)] (14) "Special allocation fund", the fund of a municipality or its  
190 commission which contains at least two separate segregated accounts for each  
191 redevelopment plan, maintained by the treasurer of the municipality or the  
192 treasurer of the commission into which payments in lieu of taxes are deposited  
193 in one account, and economic activity taxes and other revenues are deposited in  
194 the other account;

195 [(16)] (15) "Taxing districts", any political subdivision of this state  
196 having the power to levy taxes;

197 [(17)] (16) "Taxing districts' capital costs", those costs of taxing districts  
198 for capital improvements that are found by the municipal governing bodies to be

199 necessary and to directly result from the redevelopment project; and

200           [(18)] (17) "Vacant land", any parcel or combination of parcels of real  
201 property not used for industrial, commercial, or residential buildings.

          99.810. 1. Each redevelopment plan shall set forth in writing a general  
2 description of the program to be undertaken to accomplish the objectives and  
3 shall include, but need not be limited to, the estimated redevelopment project  
4 costs, the anticipated sources of funds to pay the costs, evidence of the  
5 commitments to finance the project costs, the anticipated type and term of the  
6 sources of funds to pay costs, the anticipated type and terms of the obligations to  
7 be issued, the most recent equalized assessed valuation of the property within the  
8 redevelopment area which is to be subjected to payments in lieu of taxes and  
9 economic activity taxes pursuant to section 99.845, an estimate as to the  
10 equalized assessed valuation after redevelopment, and the general land uses to  
11 apply in the redevelopment area. No redevelopment plan shall be adopted by a  
12 municipality without findings that:

13           (1) The redevelopment area on the whole is a blighted area[,] or a  
14 conservation area, [or an economic development area,] and has not been subject  
15 to growth and development through investment by private enterprise and would  
16 not reasonably be anticipated to be developed without the adoption of tax  
17 increment financing. Such a finding shall include, but not be limited to, a  
18 detailed description of the factors that qualify the redevelopment area or project  
19 pursuant to this subdivision and an affidavit, signed by the developer or  
20 developers and submitted with the redevelopment plan, attesting that the  
21 provisions of this subdivision have been met;

22           (2) The redevelopment plan conforms to the comprehensive plan for the  
23 development of the municipality as a whole;

24           (3) The estimated dates, which shall not be more than twenty-three years  
25 from the adoption of the ordinance approving a redevelopment project within a  
26 redevelopment area, of completion of any redevelopment project and retirement  
27 of obligations incurred to finance redevelopment project costs have been stated,  
28 provided that no ordinance approving a redevelopment project shall be adopted  
29 later than ten years from the adoption of the ordinance approving the  
30 redevelopment plan under which such project is authorized and provided that no  
31 property for a redevelopment project shall be acquired by eminent domain later  
32 than five years from the adoption of the ordinance approving such redevelopment  
33 project;

34 (4) A plan has been developed for relocation assistance for businesses and  
35 residences;

36 (5) A cost-benefit analysis showing the economic impact of the plan on  
37 each taxing district which is at least partially within the boundaries of the  
38 redevelopment area. The analysis shall show the impact on the economy if the  
39 project is not built, and is built pursuant to the redevelopment plan under  
40 consideration. The cost-benefit analysis shall include a fiscal impact study on  
41 every affected political subdivision, and sufficient information from the developer  
42 for the commission established in section 99.820 to evaluate whether the project  
43 as proposed is financially feasible;

44 (6) A finding that the plan does not include the initial development or  
45 redevelopment of any gambling establishment, provided however, that this  
46 subdivision shall be applicable only to a redevelopment plan adopted for a  
47 redevelopment area designated by ordinance after December 23, 1997.

48 2. By the last day of February each year, each commission shall report to  
49 the director of economic development the name, address, phone number and  
50 primary line of business of any business which relocates to the district. The  
51 director of the department of economic development shall compile and report the  
52 same to the governor, the speaker of the house and the president pro tempore of  
53 the senate on the last day of April each year.

99.825. 1. Prior to the adoption of an ordinance proposing the designation  
2 of a redevelopment area, or approving a redevelopment plan or redevelopment  
3 project, the commission shall fix a time and place for a public hearing and notify  
4 each taxing district located wholly or partially within the boundaries of the  
5 proposed redevelopment area, plan or project. At the public hearing any  
6 interested person or affected taxing district may file with the commission written  
7 objections to, or comments on, and may be heard orally in respect to, any issues  
8 embodied in the notice. The commission shall hear and consider all protests,  
9 objections, comments and other evidence presented at the hearing. The hearing  
10 may be continued to another date without further notice other than a motion to  
11 be entered upon the minutes fixing the time and place of the subsequent  
12 hearing. Prior to the conclusion of the hearing, changes may be made in the  
13 redevelopment plan, redevelopment project, or redevelopment area, provided that  
14 each affected taxing district is given written notice of such changes at least seven  
15 days prior to the conclusion of the hearing. After the public hearing but prior to  
16 the adoption of an ordinance approving a redevelopment plan or redevelopment



17 project, or designating a redevelopment area, changes may be made to the  
18 redevelopment plan, redevelopment projects or redevelopment areas without a  
19 further hearing, if such changes do not enlarge the exterior boundaries of the  
20 redevelopment area or areas, and do not substantially affect the general land uses  
21 established in the redevelopment plan or substantially change the nature of the  
22 redevelopment projects, provided that notice of such changes shall be given by  
23 mail to each affected taxing district and by publication in a newspaper of general  
24 circulation in the area of the proposed redevelopment not less than ten days prior  
25 to the adoption of the changes by ordinance. **An ordinance providing for a**  
26 **tax increment finance project for residential development or**  
27 **redevelopment shall not be approved unless unanimous consent for**  
28 **such project is granted by the members of the tax increment finance**  
29 **commission representing the interest of the school boards whose**  
30 **districts are included within the redevelopment plan or redevelopment**  
31 **area.** After the adoption of an ordinance approving a redevelopment plan or  
32 redevelopment project, or designating a redevelopment area, no ordinance shall  
33 be adopted altering the exterior boundaries, affecting the general land uses  
34 established pursuant to the redevelopment plan or changing the nature of the  
35 redevelopment project without complying with the procedures provided in this  
36 section pertaining to the initial approval of a redevelopment plan or  
37 redevelopment project and designation of a redevelopment area. Hearings with  
38 regard to a redevelopment project, redevelopment area, or redevelopment plan  
39 may be held simultaneously.

40 2. Tax incremental financing projects within [an economic development]  
41 **a blighted area or conservation** area shall apply to and fund only the  
42 following infrastructure projects: highways, roads, streets, bridges, sewers, traffic  
43 control systems and devices, water distribution and supply systems, curbing,  
44 sidewalks and any other similar public improvements, but in no case shall it  
45 include buildings.

**523.015. Notwithstanding any other provision of law to the**  
2 **contrary, if a temporary easement for a specified period of time is**  
3 **granted as a result of condemnation instead of an easement of**  
4 **perpetual duration, any extension of such easement shall not be**  
5 **granted automatically; instead, the condemning entity shall only be**  
6 **granted an extension of the easement upon completing the formal**  
7 **condemnation proceedings of this chapter and paying the ordered**

8 amount of compensation for the extension.

523.025. Notwithstanding any other provision of law to the  
2 contrary, no political subdivision with an elected governing body shall  
3 exercise the power of eminent domain or condemnation until the  
4 elected governing body approves of the proposed condemnation by a  
5 two-thirds majority vote.

523.035. 1. After the petition has been filed under section  
2 523.030, the court shall, prior to appointing commissioners under  
3 section 523.040, determine whether or not:

4 (1) The condemning entity has the authority to exercise the  
5 power of eminent domain;

6 (2) The property sought to be condemned is subject to the  
7 exercise of eminent domain;

8 (3) The property sought to be condemned is for a public use; and

9 (4) The condemning entity is properly exercising the power of  
10 eminent domain in the particular proceeding.

11 The court may also determine any other issues raised by the owner of  
12 the property which attacks the validity of the condemning entity's right  
13 to exercise eminent domain over the owner's property.

14 2. If the court determines that the condemning entity has  
15 satisfied all the requirements of subsection 1 of this section, the court  
16 shall enter an interlocutory order to such effect. An interlocutory  
17 appeal shall lie from the decision as a matter of right.

18 3. If the court determines that the condemning entity has not  
19 satisfied all the requirements of subsection 1 of this section and does  
20 not have the authority to exercise the power of eminent domain in this  
21 particular proceeding, the court shall dismiss the condemning entity's  
22 petition with prejudice and direct the condemning entity to pay the  
23 owner's court costs and attorneys' fees.

24 4. The appeal provided for in subsection 2 of this section shall  
25 be an interlocutory appeal, filed in the appropriate district of the  
26 Missouri court of appeals. Notice of such interlocutory appeal shall be  
27 filed within three days of the entry of the order of trial court; the time  
28 limits applicable to such appeal shall be the same as in interlocutory  
29 appeals allowed to the state in criminal cases.

523.095. 1. Notwithstanding any other provision of law to the  
2 contrary, the state or any political subdivision thereof shall not

3 exercise the power of eminent domain to acquire property for the  
4 purpose of economic development unless acquisition of such property  
5 is expressly authorized by law or the provisions of this subsection are  
6 fulfilled. No private property that the government takes in the exercise  
7 of its power of eminent domain shall be used for economic development  
8 unless seven years have passed since the time of the original  
9 authorized taking and the government offers the original owner, or his  
10 or her heirs or assigns, the right of first refusal to buy the property at  
11 the original condemnation price before proceeding with the  
12 development.

13 2. For the purposes of this section, "economic development"  
14 means any activity performed to increase tax revenue, tax base,  
15 employment rates, or general economic health, when the activity does  
16 not result in:

17 (1) The transfer of land to public ownership;

18 (2) The transfer of land to a private entity that is a common  
19 carrier;

20 (3) The transfer of property to a private entity that will remove  
21 a blighted area as defined in chapter 99, RSMo; or

22 (4) The lease of the property to private entities that occupy an  
23 incidental area within a public project.

523.110. When any entity with condemnation authority negotiates  
2 with a property owner to acquire any property interest which may  
3 eventually be acquired through formal eminent domain proceedings,  
4 the condemning entity shall provide the owner of the property a form  
5 containing a written summary of the rights of an owner of property to  
6 be acquired under this chapter via certified mail return receipt  
7 requested. If the condemning entity does not supply the owner of the  
8 real property with this form, a presumption shall exist that any sale or  
9 contract entered into between the condemning entity and the owner  
10 was not voluntary and the condemning entity may be held responsible  
11 for any relief, if any, as the court may determine to be appropriate  
12 considering all of the facts and circumstances, including, but not  
13 limited to, an award of punitive damages.

523.115. 1. Before proceeding to acquire any property interest  
2 by condemnation, a condemning entity must give notice of such intent,  
3 together with a description of the property interest to be acquired,

4 notice of the property owners' right to a hearing, and notice that the  
5 decision determined at that hearing may be appealed to be heard by a  
6 jury of peers, to anyone having an interest of record in the property  
7 involved. Such notice shall advise that the condemning entity shall pay  
8 the reasonable costs of an appraisal pursuant to subsection 2 of this  
9 section. Such notice, however, need not be given to any of such persons  
10 who cannot be found by the condemning entity upon the exercise of due  
11 diligence. Upon receipt of such notice, such persons may employ an  
12 appraiser of their choosing to appraise the property interest to be  
13 acquired. The appraiser shall be a Missouri certified general appraiser  
14 bound by the uniform standards of professional appraisal practice  
15 (USPAP). The value of the land or property actually taken shall be  
16 equal to the market value with applicable upward adjustments. Within  
17 ninety days of the date of such notice, such persons may submit to the  
18 condemning entity a copy of such appraisal. The condemning entity  
19 shall, immediately upon receipt thereof, submit to such persons copies  
20 of its appraisals. If the property interest is being acquired in relation  
21 to a federal aid project, the appraisals submitted by the condemning  
22 entity shall be those which have been approved by it pursuant to  
23 applicable statutes and regulations, if such approval is required. All  
24 such appraisals may be used by the parties to negotiate in good faith  
25 for the acquisition of the property interest, but only the condemning  
26 entity shall be bound by such appraisals.

27       2. If an appraisal is submitted to the condemning entity in  
28 accordance with the provisions of subsection 1 of this section, the  
29 condemning entity shall pay the reasonable costs of such appraisal. If  
30 more than one person has an interest in the property sought to be  
31 acquired and such persons cannot agree on an appraisal to be  
32 submitted under subsection 1 of this section, the condemning entity  
33 shall be relieved of any obligation imposed upon it to pay for such  
34 appraisals as may be submitted to it pursuant to this section.

35       3. Nothing in this section shall be construed as limiting in any  
36 way the obligation of the condemning entity to negotiate in good faith  
37 for the acquisition of any property interest sought prior to instituting  
38 eminent domain proceedings or as limiting in any way the discovery  
39 rights of parties to eminent domain proceedings.

40       4. Nothing in this section shall prevent the condemning entity

41 from complying with federal and state requirements to qualify the  
42 authority for federal aid grants.

43       5. A condemning entity shall not make an offer to purchase the  
44 property or property interest that is less than the market value the  
45 condemning entity has established for the property or property interest  
46 pursuant to the appraisal required in subsection 1 of this section. A  
47 condemning entity need not make an offer in excess of that amount in  
48 order to satisfy the requirement to negotiate in good faith.

49       6. No later than ten days before the formal filing of a petition  
50 under section 523.010, the condemning entity must make a written offer  
51 to purchase the desired property or property interest in the form  
52 prescribed in subsection 7 of this section.

53       7. The offer shall be substantially in the following form:  
54 ..... (condemner) is authorized by ..... (specific Missouri law granting  
55 authorization) to obtain your property or an easement across your  
56 property for certain public purposes..... needs (easement or other  
57 property interest) across your property and needs to take ..... (legal  
58 description of the property or easement to be taken; the legal  
59 description may be made on a separate sheet and attached to this  
60 document if additional space is required).

61 It is your opinion that the market value of the .....(property or  
62 easement) that (condemner) seeks to acquire is \$....., and, therefore,  
63 .....(condemner) offers you \$....., for the above described .....(property  
64 or easement). You have ten days from .....(date of offer) to accept this  
65 offer. If you do not accept, ..... (condemner) will initiate eminent  
66 domain proceedings by filing a petition under section 523.010. The  
67 submitted offer shall be in the form of a verified affidavit.

68       8. If the condemning entity and the condemnee fail to reach  
69 agreement and the amount of damages awarded the condemnee by the  
70 commissioners under section 523.040 or by the court or jury under  
71 section 523.030, exclusive of interest and costs, is within twenty percent  
72 of the original offer, the condemnee shall pay the condemning entity's  
73 litigation expenses, including court costs and attorney's fees, in an  
74 amount that does not exceed two thousand five hundred dollars. If the  
75 amount of damages awarded to the condemnee, exclusive of interest  
76 and costs, exceeds the amount of the original offer by twenty percent  
77 or more, the condemning entity shall pay the condemnee's litigation

78 expenses, including court costs and attorney's fees, in an amount not  
79 to exceed two thousand five hundred dollars. If the amount of damages  
80 awarded to the condemnee, exclusive of interest and costs, exceeds the  
81 amount of the original offer by fifty percent or more, the condemning  
82 entity shall pay the condemnee's litigation expenses, including court  
83 costs and attorney's fees, in an amount not to exceed two thousand five  
84 hundred dollars and double damages on that portion of the damages  
85 that exceeds the amount of the original offer by twenty percent.

523.205. 1. Any public agency as defined in section 523.200 which is  
2 required, as a condition to the receipt of federal funds, to give relocation  
3 assistance to any displaced person is hereby authorized and directed to give  
4 similar relocation assistance to displaced persons when the property involved is  
5 being acquired for the same public purpose through the same procedures, and is  
6 being purchased solely through expenditure of state or local funds.

7 2. The governing body of any city, or agency thereof, prior to approval of  
8 a plan, project or area for redevelopment under the operation of chapter 99,  
9 RSMo, chapter 100, RSMo, or chapter 353, RSMo, **or any other political**  
10 **subdivision initiating condemnation proceedings**, which proposes or  
11 includes within its provisions or necessitates displacement of persons, when such  
12 displacement is not subject to the provisions of the Federal Uniform Relocation  
13 and Real Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to  
14 4655, as amended) or subsection 1 of this section, shall establish by ordinance or  
15 rule a relocation policy which shall include, but not be limited to, the provisions  
16 and requirements of subsections 2 to 15 of this section, or in lieu thereof, such  
17 relocation policy shall contain provisions and requirements which are equivalent  
18 to the requirements of the Federal Uniform Relocation Assistance and Real  
19 Property Acquisition Policies Act of 1970 (42 U.S.C. sections 4601 to 4655, as  
20 amended).

21 3. As used in this section, the following terms shall mean:

22 (1) "Business", any lawful activity that is conducted:

23 (a) Primarily for the purchase, sale or use of personal or real property or  
24 for the manufacture, processing or marketing of products or commodities; or

25 (b) Primarily for the sale of services to the public;

26 (2) "Decent, safe and sanitary dwelling", a dwelling which meets  
27 applicable housing and occupancy codes. The dwelling shall:

28 (a) Be structurally sound, weathertight and in good repair;

29 (b) Contain a safe electrical wiring system;

30 (c) Contain an adequate heating system;

31 (d) Be adequate in size with respect to the number of rooms needed to  
32 accommodate the displaced person; and

33 (e) For a handicapped person, be free of any barriers which would  
34 preclude reasonable ingress, egress or use of the dwelling;

35 (3) "Handicapped person", any person who is deaf, legally blind or  
36 orthopedically disabled to the extent that acquisition of another residence  
37 presents a greater burden than other persons would encounter or to the extent  
38 that modifications to the replacement residence would be necessary;

39 (4) "Initiation of negotiations", the delivery of the initial written offer of  
40 just compensation by the acquiring entity, to the owner of the real property, to  
41 purchase such real property for the project, or the notice to the person that he  
42 will be displaced by rehabilitation or demolition;

43 (5) "Person", any individual, family, partnership, corporation, or  
44 association.

45 4. Every urban redevelopment corporation acquiring property within a  
46 redevelopment area shall submit a relocation plan as part of the redevelopment  
47 plan.

48 5. Unless the property acquisition under the operation of chapter 99,  
49 RSMo, chapter 100, RSMo, or chapter 353, RSMo, is subject to federal relocation  
50 standards or subsection 1 of this section, the relocation plan shall provide for the  
51 following:

52 (1) Payments to all eligible displaced persons, as defined, who occupied  
53 the property to be acquired for not less than ninety days prior to the initiation of  
54 negotiations who are required to vacate the premises;

55 (2) A program for identifying special needs of displaced persons with  
56 specific consideration given to income, age, size of family, nature of business,  
57 availability of suitable replacement facilities and vacancy rates of affordable  
58 facilities;

59 (3) A program for referrals of displaced persons with provisions for a  
60 minimum of three decent, safe and sanitary housing referrals for residential  
61 persons or suitable referral sites for displaced businesses, a minimum of ninety  
62 days' notice of referral sites for handicapped displaced persons and sixty days'  
63 notice of referral sites for all other displaced persons prior to the date such  
64 displaced persons are required to vacate the premises, and arrangements for

65 transportation to inspect referral sites; and

66 (4) Every displaced person shall be given a ninety-day notice to vacate,  
67 prior to the date such displaced person is required to vacate the premises.

68 6. All displaced residential persons eligible for payments shall be provided  
69 with relocation payments based upon one of the following, at the option of the  
70 person:

71 (1) A [five-hundred-dollar] **five hundred dollar** fixed payment; or

72 (2) Actual reasonable costs of relocation including actual moving costs,  
73 utility deposits, key deposits, storage of personal property up to one month,  
74 utility transfer and connection fees and other initial rehousing deposits including  
75 first and last month's rent and security deposit.

76 7. All displaced businesses eligible for payments shall be provided with  
77 relocation payments based upon the following, at the option of the business:

78 (1) A [one-thousand-five-hundred-dollar] **one thousand five hundred**  
79 **dollar** fixed payment; or

80 (2) Actual costs of moving including costs for packing, crating,  
81 disconnection, dismantling, reassembling and installing all personal equipment  
82 and costs for relettering similar signs and similar replacement stationery.

83 8. If a displaced person demonstrates the need for an advance relocation  
84 payment, in order to avoid or reduce a hardship, the developer or public agency  
85 shall issue the payment subject to such safeguards as are appropriate to ensure  
86 that the objective of the payment is accomplished. Payment for a satisfactory  
87 claim shall be made within thirty days following receipt of sufficient  
88 documentation to support the claim. All claims for relocation payment shall be  
89 filed with the displacing agency within six months after:

90 (1) For tenants, the date of displacement;

91 (2) For owners, the date of displacement or the final payment for the  
92 acquisition of the real property, whichever is later.

93 9. Any displaced person, who is also the owner of the premises, may waive  
94 relocation payments as part of the negotiations for acquisition of the interest held  
95 by such person. Such waiver shall be in writing, shall disclose the person's  
96 knowledge of the provisions of this section and his entitlement to payment and  
97 shall be filed with the acquiring public agency.

98 10. All persons eligible for relocation benefits shall be notified in writing  
99 of the availability of such relocation payments and assistance, with such notice  
100 to be given concurrently with the notice of referral sites as required in



101 subdivision (3) of subsection 5 of this section.

102       11. Any urban redevelopment corporation, its assigns or transferees,  
103 which have been provided any assistance under the operation of chapter 99,  
104 RSMo, chapter 100, RSMo, chapter 353, RSMo, or this chapter, with land  
105 acquisition by the local governing body, shall be required to make a report to the  
106 local governing body or appropriate public agency which shall include, but not be  
107 limited to, the addresses of all occupied residential buildings and structures  
108 within the redevelopment area and the names and addresses of persons displaced  
109 by the redeveloper and specific relocation benefits provided to each person, as  
110 well as a sample notice provided to each person.

111       12. An urban redevelopment corporation which fails to comply with the  
112 relocation requirements provided in this section shall not be eligible for tax  
113 abatement as provided for in chapter 353, RSMo.

114       13. The requirements set out in this section shall be considered minimum  
115 standards. In reviewing any proposed relocation plan under the operation of  
116 chapter 99, RSMo, chapter 100, RSMo, or chapter 353, RSMo, the local governing  
117 body or public agency shall determine the adequacy of the proposal and may  
118 require additional elements to be provided.

119       14. Relocation assistance shall not be provided to any person who  
120 purposely resides or locates his business in a redevelopment area solely for the  
121 purpose of obtaining relocation benefits.

122       15. The provisions of sections 523.200 and 523.205 shall apply to land  
123 acquisitions under the operation of chapter 99, RSMo, chapter 100, RSMo, or  
124 chapter 353, RSMo, filed for approval, approved or amended on or after August  
125 31, 1991, **or any other land acquisition obtained through formal**  
126 **condemnation proceedings.**